Ain Shams University
Faculty of Engineering
Assignment 1

Principles of Marketing
2010

Introduction of Marketing

Question 1
Write what represents the following meanings

1) The process of managing the value perceived by the customers. It is first about strategy, then about tactics.

2) The technique in which marketers try to create an image for a product, brand or company.

3) It is seeing "down the road". That is no reason why we should not use the whole range of business prediction techniques available to us to estimate future circumstances as best we can.

4) The process of grouping market into smaller subgroups.

5) The market segment which a particular product is marketed to.

6) Changing the identity of a product, relative to the identity of competing products in the collective minds of the target market.

7) A physical place where buyers and sellers gathered to exchange goods.

8) The goods which are of high volume, low unit value and fast repurchase.

9) Goods that are not aimed directly at consumers and involve the sale between businesses.

10) The maximum a customer or prospective customer will buy for your product or service.

Question 2

Imagine you can introduce a product or service that you can compete in market with others.

1. Select a target segment.
2. Select a target member of the decision-making unit.
3. List the main competitors.
4. List the benefits associated with the product or service.
5. Estimate the relative importance of each benefit to your target customer.
6. For your company and for each competitor, evaluate the performance on each benefit *as perceived* by your customer.

Question 3

Suppose an office building used 500 light bulbs and changed all of them every four months. Current price per bulb is $1 but the major cost is the labor cost of changing all the bulbs, amounting to $4,000 three times per year. Suppose a new bulb has a longer life that would mean that the bulbs would need to be changed only twice a year. What would be the perceived value of that new bulb?

Question 4

A citizen obliged to go twice per year to the insurance healthy care center which lies 50 km far away of his home. The required fees are LE 50 per visit. He makes a deal with a taxi that costs LE 4/ km to take him from home to the center and waits him to go back to his home. Instead, he decides to go to a private hospital which lies 5 km from his home with the same deal with the driver of the taxi, but surely the fees is more than the insurance center as it is a private one.

What would be the perceived value of the fees of each visit to the private hospital?

Question 5

It is the time to go to your mechanic to check the viscosity of the oil of your private car. He informs you that if you use oil of type X, you must change the oil with the filter 3 times per year. While if you use oil of type Y, you need to change the oil two times per year and the filter once a year.

- Oil of type X costs 100 LE/bottle.
- The cost of the filter is LE 100.
- Your tank needs 2 bottles every time.
- Each time you go to the mechanic, you pay him LE50 to change the oil and LE 25 over if you need to change the filter.

What would be the perceived value of type Y oil?